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MATTHIAS W. BALDWIN, FOUNDER

ANNUAL REPORT
1932

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THE
BALDWIN LOCOMOTIVE WORKS
CONSOLIDATED

CORP FILE

TWENTY-SECOND ANNUAL REPORT

THE
BALDWIN LOCOMOTIVE WORKS
PHILADELPHIA, PA.



CONSOLIDATED WITH

STANDARD STEEL WORKS COMPANY
CRAMP BRASS AND IRON FOUNDRIES COMPANY
BALDWIN-SOUTHWARK CORPORATION
DE LA VERGNE ENGINE COMPANY
THE PELTON WATER WHEEL COMPANY
THE WHITCOMB LOCOMOTIVE COMPANY
THE MIDVALE COMPANY
and
SUBSIDIARIES

December 31, 1932

THE BALDWIN LOCOMOTIVE WORKS

Incorporated under the Laws of the State of Pennsylvania

DIRECTORS

SAMUEL M. VAUCLAIN
WILLIAM E. COREY
SYDNEY E. HUTCHINSON
SIDNEY F. TYLER
B. DAWSON COLEMAN
ARTHUR W. SEWALL
FRANCIS M. WELD
FRED J. FISHER
ARTHUR W. CUTTEN
JOSEPH N. EWING
GEORGE H. HOUSTON
EDWARD F. FISHER
THOMAS NEWHALL
JOHN P. SYKES
W. HINCKLE SMITH

Rosemont, Pa.
New York City
Philadelphia
Philadelphia
Lebanon, Pa.
Philadelphia
New York City
Detroit
Chicago
Philadelphia
Philadelphia
Detroit
Philadelphia
Philadelphia
Philadelphia

OFFICERS

SAMUEL M. VAUCLAIN
GEORGE H. HOUSTON
JOHN P. SYKES
ROBERT S. BINKERD
HARRY GLAENZER
CHARLES E. ACKER
CHARLES D. MACGILLIVRAY
CARLOS F. NOYES

Chairman of the Board
President
Vice-President
Vice-President and Director of Sales
Vice-President in Charge of Engineering
Treasurer
Secretary
Comptroller

GENERAL COUNSEL

MORGAN, LEWIS & BOCKIUS
Philadelphia

PLANT AT BALDWIN

EDDYSTONE, PENNSYLVANIA

TRANSFER AGENTS

IN PHILADELPHIA:

Fidelity-Philadelphia Trust Company,
135 South Broad Street

IN NEW YORK:

Bankers Trust Co., 16 Wall Street

REGISTRARS OF STOCK

IN PHILADELPHIA:

The Pennsylvania Company for Insurances on Lives and Granting Annuities,
15th and Chestnut Streets

IN NEW YORK:

Guaranty Trust Company of New York,
140 Broadway

TO THE STOCKHOLDERS:

The following report of the business of your Company for the fiscal year ended December 31, 1932, is submitted on behalf of the Board of Directors. This report includes:

Summary of Operations for past years.

Consolidated Balance Sheet as of December 31, 1932.

Consolidated Statements of Profit and Loss and Surplus for the year 1932.

Auditor's report.

Consolidated sales for the year 1932, exclusive of inter-company transactions, totalled \$10,596,859.10 as compared with \$20,436,342.75 for 1931. Sales of locomotive products amounted to \$3,034,694.01 as compared with \$6,197,035.62 for the previous year. 71% of the total volume of business was outside of the locomotive field as compared with 70% for the year before. Unfilled orders on hand at the end of 1932 totalled \$2,665,420.00 as compared with \$8,053,497.00 at the beginning of the year.

The year's operations resulted in a loss of \$4,078,131.96 after provision for depreciation reserves of \$1,846,022.08, interest charges of \$1,136,613.40 and deduction of the proportionate shares of minority stockholders of the Midvale Company and of The Whitcomb Locomotive Company in the losses of their respective corporations. In 1931 the consolidated companies, exclusive of The Midvale Company, lost \$4,571,456.81, after provision for interest and depreciation reserves, while The Midvale Company made a net profit of \$750,115.73. In 1932 on a greatly reduced volume the consolidated companies, exclusive of The Midvale Company, lost \$3,927,098.89, after provision for interest and depreciation reserves, while The Midvale Company suffered a loss of \$245,782.05.

All departments of the business have continued to curtail operating expenses in every way possible without sacrificing maintenance, engineering on new products which seemed advisable, or adequate attention to marketing.

Investments in Property, Plant and Equipment, net of depreciation reserves, were decreased during the year by about \$1,545,000. The Sinking Fund for First Mortgage Bonds was increased by \$476,790.67, payments having been made into the Sinking Fund as required by the First Mortgage indenture. Cash on hand, including that carried in foreign banks was increased slightly during the year. The Midvale Company increased its reserve for shrinkage in the value of its marketable securities by \$200,000 through a charge to Surplus. Substantial progress was made in the collection of outstanding receivables. Large reductions were effected in inventories which were priced at the end of the year, at the lower of cost or market.

Net current assets were decreased from \$18,113,476.09 on January 1st to \$15,393,955.61 on December 31st. The net current assets of The Midvale Company included at December 31st, amounted to \$6,748,913.68.

The outstanding capital stock of The Whitcomb Locomotive Company was increased during the year by 1,750 shares, amounting to 8.05% of that now outstanding. This additional stock was used by it to acquire the inventory, drawings, patterns and goodwill of the Milwaukee Locomotive & Manufacturing Company, a wholly owned subsidiary of the Westinghouse Airbrake Company.

A special meeting of Stockholders was held on January 17, 1933, which approved a plan for refunding and/or retiring \$12,000,000 principal amount of the Company's Three-Year 5½% Gold Notes due March 1, 1933. This plan contemplates an authorized issue of \$15,000,000 Five-Year 6% Consolidated Mortgage Bonds, dated March 1, 1933, and due March 1, 1938, the new bonds to carry detachable stock subscription warrants entitling the holder until February 28,

1938, to subscribe at \$5.00 per share for four shares of the Company's common stock without nominal or par value for each \$100 principal amount of said bonds.

Prior to this special Stockholders' meeting the Consolidated Mortgage Bonds, with the stock subscription warrants attached, were offered to the Preferred and Common Stockholders, for subscription, the proceeds to be used to pay or retire the Company's outstanding notes or the new Consolidated Mortgage Bonds.

The Stockholders not having subscribed for the said Consolidated Mortgage Bonds in an amount sufficient to justify a pro rata payment on account of the outstanding Notes, authority was given at the special Stockholders' meeting to offer to the holders of the \$12,000,000 Principal amount of outstanding Notes, an equal principal amount of the Consolidated Mortgage Bonds with the stock subscription warrants attached. This offer of exchange was mailed to Noteholders under a plan and deposit agreement dated January 17, 1933, and Notes are now being deposited with the depositaries named therein.

The remainder of the authorized issue of Consolidated Mortgage Bonds, \$3,000,000 in principal amount, or the proceeds thereof, will be used only to refund or pay and retire indebtedness secured by any mortgage lien or liens upon the property of the Company prior to the lien of the Consolidated Mortgage and/or to reimburse the Company for expenditures made therefor or in connection therewith on or after March 1, 1933.

We wish to express our appreciation for the loyal and earnest efforts and co-operation of the officers and other members of the organization during the past year.

Respectfully submitted,

GEORGE H. HOUSTON,
President.

January 24, 1933.

THE BALDWIN LOCOMOTIVE WORKS

Summary of Operations, July 1, 1911—December 31, 1932

Year	Gross Sales	Profit	Reserves, Etc.	Dividend	Increase In Surplus From Operations For Year	Adjustments	Surplus
1911 (6 mos.)	\$14,589,645.26	\$1,671,419.32	.....	\$900,000.00	\$771,419.32	.....	\$771,419.32
1912	28,924,335.16	3,698,571.44	.....	1,800,000.00	1,898,571.44	.....	2,669,990.76
1913	37,630,969.21	4,017,800.33	.....	1,800,000.00	2,217,800.33	.....	4,887,791.09
1914	33,616,163.36	365,229.92	.....	1,800,000.00	1,449,770.08*	.....	3,438,021.01
1915	22,083,011.06	2,867,816.17	\$15,000.00	1,400,000.00	1,427,816.17	.....	4,865,837.18
1916	59,219,037.99	9,444,641.91	40,000.00	1,400,000.00	4,083,787.04	.....	8,949,624.22
1917	98,263,865.33	11,193,840.66	3,960,854.87	1,400,000.00	6,905,722.30	\$15,800,000.00	55,346.52
1918	123,179,251.99	18,262,112.05	2,888,118.36	1,400,000.00	1,852,295.54	.....	1,907,642.06
1919	84,307,776.72	8,871,243.30	15,009,816.51	2,100,000.00	3,676,243.30	970,327.60	6,554,412.96
1920	73,542,666.49	8,407,269.75	3,095,000.00	2,800,000.00	1,628,518.72	2,830,505.69	11,013,437.37
1921	49,945,506.24	8,962,273.10	3,918,176.63	2,800,000.00	2,244,096.47	.....	13,257,533.84
1922	33,087,258.62	6,765,514.43	1,558,995.38	2,800,000.00	2,406,519.05	3,266,725.00	18,930,777.89
1923	102,762,075.28	11,931,521.93	8,215,057.62	2,800,000.00	916,464.31	.....	19,847,242.20
1924	26,080,352.27	1,920,026.77	600,000.00	2,800,000.00†	1,320,026.77	2,800,000.00†	18,367,268.97
1925	27,876,064.14	196,563.95	.....	2,800,000.00†	196,563.95	2,800,000.00†	15,763,832.92
1926	47,891,668.91	6,492,422.39	608,515.42	2,800,000.00†	5,883,906.97	2,800,000.00†	18,847,739.89
1927	32,901,143.07	3,705,446.70	1,263,246.87	2,800,000.00†	2,442,199.83	5,437,881.01§	15,852,058.71
1928	22,531,349.44	932,210.96	600,000.00	2,800,000.00†	332,210.96	3,074,377.08||	13,109,892.59
1929°	42,796,587.76	4,651,920.01⊖	1,710,000.00	2,837,629.11†	2,300,462.83	258,420.22	23,431,001.11
1930°	49,872,455.61	5,457,852.50⊖	1,779,456.28	2,831,512.67	205,111.18	70,039.50	23,706,151.79
1931°	20,436,342.75	2,021,151.08*⊖	1,800,190.00	700,000.00	4,822,759.10*	1,553,758.16	17,329,634.53
1932°	10,596,859.10	2,331,417.12*⊖	1,846,022.08	.....	4,078,131.96*	139,447.48	13,112,055.09
	\$1,022,134,405.76	\$115,463,129.39		\$45,569,141.78			

* Deficit.

† From Reserves.

‡ For Dividends Subsequent Year.

§ Dividends 1928 and Accumulated Depreciation.

|| Dividends 1929 and Accumulated Depreciation.

⊖ Consolidated.

⊕ Before Deduction of Subsidiary Company Minority Equities.

THE BALDWIN LOCOMOTIVE WORKS

CONSOLIDATED BALANCE SHEET

ASSETS

Property, Plant and Equipment.....	\$74,167,204.34	
Less Reserve for Depreciation.....	<u>22,077,322.90</u>	\$52,089,881.44

First Mortgage Bond Sinking Fund:

First Mortgage Bonds and Cash.....	\$6,488,987.01	
First Mortgage on Real Estate owned by the Company.....	<u>300,000.00</u>	6,788,987.01

Investments:

General Steel Castings Corporation common stock..	\$5,002,457.50	
Notes and Stock of The Baldwin Locomotive Works (market value at December 31, 1932, \$478,250)...	1,801,369.58	
Other Investments, less reserve.....	<u>623,163.69</u>	7,426,990.77

Notes and Other Credit Instruments and Accounts Receivable past due or maturing subsequent to 1933, less reserve		896,802.34
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Current Assets:

Cash in Banks, with Bankers and on Hand.....	\$8,167,963.41	
Cash in Foreign Banks subject to release under local government exchange regulations.....	278,581.74	
United States Treasury Notes.....	1,000,000.00	
Sundry Securities, less reserve (market value at December 31, 1932, \$440,503.50).....	423,896.46	
Notes and Other Credit Instruments and Accounts Receivable due in 1933, less reserve.....	1,791,956.04	
Inventories, at the lower of cost or market.....	<u>4,968,544.81</u>	16,630,942.46

Deferred Charges.....		154,146.10
		<u>\$83,987,750.12</u>

Dividends on preferred stock

Contingent liability on notes

LOCOMOTIVE WORKS

STATEMENT, DECEMBER 31, 1932

LIABILITIES

First Mortgage 5% Sinking Fund Gold Bonds, due 1940.	\$10,000,000.00
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Three-year 5½% Gold Notes, due March 1, 1933....	12,000,000.00
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Current Liabilities:

Notes and Accounts Payable.....	\$685,237.12	
Accrued Accounts.....	454,234.00	
Employees' Savings Accounts.....	97,515.73	
	<u>1,236,986.85</u>	1,236,986.85

Miscellaneous Reserves and Deferred Credits.....	626,062.36
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Equity of Minority Stockholders in the Capital Stock and Surplus of:

The Midvale Company.....	\$5,894,179.88	
The Whitcomb Locomotive Company.....	43,465.94	
	<u>5,937,645.82</u>	5,937,645.82

Capital Stock and Surplus of The Baldwin Locomotive Works:

Preferred Stock, 7% Cumulative, \$100 par, Authorized and Issued, 200,000 shares.....	\$20,000,000.00	
Common Stock, no par:		
Authorized, 2,000,000 shares		
Issued, 843,000 "	21,075,000.00	
Surplus, as per annexed statement.....	13,112,055.09	
	<u>54,187,055.09</u>	
		<u>\$83,987,750.12</u>

unpaid since July 1, 1931

es discounted, \$219,515.10

THE BALDWIN LOCOMOTIVE WORKS

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED DECEMBER 31, 1932

Sales.....		\$10,596,859.10
Less:		
Cost of Sales, including Selling, Administrative and General Expenses.....	\$12,205,167.27	
Provision for Depreciation	1,846,022.08	
		<u>14,051,189.35</u>
Operating Loss.....		\$3,454,330.25
Other Income:		
Dividends.....	\$35,485.91	
Interest and Miscellaneous	637,552.47	
		<u>673,038.38</u>
Operating Loss less Other Income		\$2,781,291.87
Other Expenses:		
Interest.....	\$1,136,613.40	
Miscellaneous.....	259,533.93	
		<u>1,396,147.33</u>
Loss for the Year		\$4,177,439.20
Equity of Minority Stockholders of The Midvale Company and The Whitcomb Locomotive Company.....		<u>99,307.24</u>
Loss Accrued to The Baldwin Locomotive Works.....		<u>\$4,078,131.96</u>

CONSOLIDATED STATEMENT OF SURPLUS

Surplus at January 1, 1932:		
Earned Surplus		\$10,398,209.05
Capital Surplus		<u>6,931,425.48</u>
		\$17,329,634.53
Deduct:		
Loss for the year 1932, as above.....	\$4,078,131.96	
Sundry deductions less additions.....	139,447.48	
		<u>4,217,579.44</u>
Surplus at December 31, 1932.....		<u>\$13,112,055.09</u>
consisting of Earned Surplus	\$6,173,287.11	
and Capital Surplus	<u>6,938,767.98</u>	

TO THE STOCKHOLDERS OF
THE BALDWIN LOCOMOTIVE WORKS:

We have examined the accounts of The Baldwin Locomotive Works and its wholly owned subsidiaries as at December 31, 1932, and have received the certified financial statements of The Midvale Company prepared by Messrs. Arthur Young & Company.

In our opinion, the accompanying consolidated balance sheet and consolidated statements of profit and loss and surplus set forth correctly the financial position of the companies at December 31, 1932, and the results of their operations for the year then ended.

LYBRAND, ROSS BROS. & MONTGOMERY,
Accountants and Auditors.

PHILADELPHIA, PENNA.
January 19, 1933.

THE BALDWIN LOCOMOTIVE WORKS

DISTRICT SALES MANAGERS UNITED STATES

PHILADELPHIA, PA.	STEWART McNAUGHTON	Eddystone
CHICAGO, ILL.	CHARLES RIDDELL	627 Railway Exchange
NEW YORK, N. Y.	JOSEPH F. HOERNER	120 Broadway
PORTLAND, ORE.	A. J. BEUTER	721 American Bank Bldg.
ST. LOUIS, MO.	CURTIS G. GREEN	1010 Pine Street
SAN FRANCISCO, CAL.	LATHAM McMULLIN	2910 Russ Building

FOREIGN SALES REPRESENTATIVES AND AGENTS

AFRICA (South)	ALLIANCE BUILDING, JOHANNESBURG	Louis M. McKune
ARGENTINA	AVENIDA PRESIDENTE, ROQUE SAENZ, PENA 636, BUENOS AIRES	Clyde G. Pinney
AUSTRALIA	31 REIDY PLACE, SYDNEY, NEW SOUTH WALES	R. Towns & Co.
	189 KING STREET, MEL- BOURNE, VICTORIA	Newell & Co., Pty., Ltd.
	860 HAY STREET, PERTH, WESTERN AUSTRALIA	Leslie & Co.
BRAZIL	RUA DA ALFANDEGA 48, RIO DE JANEIRO	Baldwin Locomotive Works of Brazil, Inc.
CENTRAL AMERICA AND SOUTH AMERICA EXCEPT BRAZIL	AVENIDA PRESIDENTE, ROQUE SAENZ, PENA, 636, BUENOS AIRES	Clyde G. Pinney <i>Technical Representative</i>
CHILE	VALPARAISO	Wessel Duval & Co.
CHINA	SHANGHAI	E. P. Williams, Jr. <i>Technical Representative</i>
	SHANGHAI	Andersen, Meyer & Co., Ltd.

FOREIGN REPRESENTATIVES AND AGENTS—(Continued)

COLOMBIA.....APARTADO 1659, BOGOTAVladimir Weltscheff

EUROPEAN CONTINENT (Excluding Russia, Holland and Scandinavia).

.....42 BIS BLVD. RICHARD-
LENOIR, PARIS.....Paul Negrier

GREAT BRITAIN.....26 VICTORIA STREET, LON-
DON, S. W. 1.....Davis & Lloyd

HAWAIIAN ISLANDS.....HONOLULU.....J. A. Good
Technical Representative
HONOLULU.....C. Brewer & Co., Ltd.

INDIA.....5 DALHOUSIE SQUARE, CAL-
CUTTA.....L. Brooke Edwards

JAPAN.....TOKYO.....Frazar & Co.

MEXICO.....2A CAPUCHINAS, 48, D. F.
MEXICO CITY.....Paul G. Cheatham

NEW ZEALAND.....P. O. Box 366,
WELLINGTON.....Philips & Pike, Ltd.

PERU.....CALLE SAN JOSE 399, LIMA.....Pedro Martinto & Co.

PHILIPPINES.....MANILA.....E. P. Williams, Jr.
Technical Representative
MANILA.....Pacific Commercial Co.

PUERTO RICO AND DOMINICAN
REPUBLIC.....BANK OF NOVA SCOTIA
BLDG., SAN JUAN.....R. Carrión

PORTUGAL.....64 CAES DO SODRE, LISBON...E. Pinto Basto & Co., Ltd.

SCANDINAVIA.....TOLDBOGADEN No. 8, OSLO,
NORWAY.....Olav Belsheim

VENEZUELA, TRINIDAD AND
LESSER ANTILLES.....APARTADO 346, MARACAIBO...T. D. Drew-Bear

STANDARD STEEL WORKS COMPANY

Incorporated under the Laws of the State of Pennsylvania

OFFICERS

SAMUEL M. VAUCLAIN	Chairman of the Board
GEORGE H. HOUSTON	President
JOHN P. SYKES	Vice-President
FRANK K. METZGER	Vice-President and General Manager
CHARLES E. ACKER	Treasurer
CHARLES D. MACGILLIVRAY	Secretary
CARLOS F. NOYES	Comptroller

PLANT

BURNHAM, MIFFLIN COUNTY
PENNSYLVANIA

CRAMP BRASS AND IRON FOUNDRIES COMPANY

Incorporated under the Laws of the State of Delaware

OFFICERS

GEORGE H. HOUSTON	Chairman of the Board
NORRIS H. SCHWENK	President
JAMES J. NELSON	Vice-President
CHARLES E. ACKER	Treasurer
CHARLES D. MACGILLIVRAY	Secretary

BALDWIN-SOUTHWARK CORPORATION

Incorporated under the Laws of the State of Delaware

OFFICERS

SAMUEL M. VAUCLAIN	Chairman of the Board
GEORGE H. HOUSTON	President
JOHN P. SYKES	Vice-President
WILLIAM H. HARMAN	Vice-President and General Manager
CHARLES E. ACKER	Treasurer
CHARLES D. MACGILLIVRAY	Secretary
CARLOS F. NOYES	Comptroller

PLANT AT BALDWIN

EDDYSTONE, PENNSYLVANIA

DE LAVERGNE ENGINE COMPANY

Incorporated under the Laws of the State of New York

OFFICERS

SAMUEL M. VAUCLAIN	Chairman of the Board
GEORGE H. HOUSTON	President
WILLIAM H. HARMAN	Vice-President
CHARLES E. ACKER	Treasurer
CHARLES D. MACGILLIVRAY	Secretary

THE WHITCOMB LOCOMOTIVE COMPANY

Incorporated under the Laws of the State of Delaware

OFFICERS

SAMUEL M. VAUCLAIN	Chairman of the Board
GEORGE H. HOUSTON	President
JOHN P. SYKES	Vice-President
HAROLD H. PERRY	Vice-President and General Manager
CHARLES E. ACKER	Treasurer
CHARLES D. MACGILLIVRAY	Secretary

PLANT

ROCHELLE, ILLINOIS

THE PELTON WATER WHEEL COMPANY

Incorporated under the Laws of the State of California

OFFICERS

GEORGE H. HOUSTON	Chairman of the Board
WILLIAM H. HARMAN	Vice-Chairman of the Board
EVERETT M. BREED	President
W. HORACE HOLCOMB	Vice-President
CHARLES E. ACKER	Treasurer
CHARLES D. MACGILLIVRAY	Secretary

PLANT

SAN FRANCISCO, CALIFORNIA .

THE MIDVALE COMPANY

Incorporated under the Laws of the State of Delaware

DIRECTORS

FRANCIS BRADLEY	Philadelphia
B. DAWSON COLEMAN	Lebanon, Pa.
HARRY L. FREVERT	Philadelphia
STUART HAZLEWOOD	Philadelphia
GEORGE H. HOUSTON	Philadelphia
SYDNEY E. HUTCHINSON	Philadelphia
JAMES M. MILLIKEN	Philadelphia
THOMAS NEWHALL	Philadelphia
ARTHUR W. SEWALL	Philadelphia
JOHN P. SYKES	Philadelphia
SIDNEY F. TYLER	Philadelphia
SAMUEL M. VAUCLAIN	Rosemont, Pa.
JOSEPH WAYNE, JR.	Philadelphia

OFFICERS

SAMUEL M. VAUCLAIN	Chairman of the Board
GEORGE H. HOUSTON	Chairman, Executive Committee
HARRY L. FREVERT	President
FRANCIS BRADLEY	Vice-President
STUART HAZLEWOOD	Vice-President in Charge of Sales
JAMES M. MILLIKEN	Secretary and Treasurer

PLANT

NICETOWN, PHILADELPHIA



